



1941/8C.

NEW SOUTH WALES.

BUSINESS STATISTICS - 26th AUGUST, 1941.

Expansion of war industries is reflected in greater employment, particularly in factories, higher wage-earnings and unprecedented savings. Prospective curtailment of civilian supplies caused heavy retail buying. Housebuilding is at a record level and flats and factories are also being built. Dry rural conditions have been relieved temporarily. Anglo-Russian action in Iran and America's warning to Japan are war developments bearing on Australia's security.

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PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. Light to moderate rain has fallen over the greater part of the State in the last few days, with substantial falls in sections where rain was most needed. Crops and pastures will benefit but there is still need of drenching rains to charge the subsoil with a reserve of moisture for the summer.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS. Governed by contracts with the British Government, prices of principal Australian export commodities are maintained and the index number (Commonwealth Bank) is about 20 per cent. above the pre-war level. Index numbers of Australian export prices (average 1927 = 100) compare as follow:-

	<u>Av. 1935-36</u> <u>to 1937-38.</u>	<u>Aug.,</u> <u>1939.</u>	<u>Aver.,</u> <u>1940.</u>	<u>Mar.,</u> <u>1941.</u>	<u>July,</u> <u>1941.</u>
Index No.	83.5	66	81.7	82.7	83.0

Physical barriers to exports, rather than the level of prices are the wartime factors likely to cause variation in Australia's income from exports. Mr. Alexander stated last week that shipping losses in August compared with the reduced losses in July. The use of Russian ships in trade with the Empire is said to be under discussion.

A White Paper issued on production in British ^{and} by the Select Committee on National Expenditure disclosed weaknesses in industrial organisation. There was idling in some factories working on the basis of cost plus a fixed percentage of profit.

London and New York stock markets are firm.

Motor car output in U.S.A. is being cut by 25½ per cent. in August to November and thereafter gradually to 50 per cent. in the model year ending July, 1942. The tank programme for 1942 will amount to \$1,000m. The U.S. Navy has been ordered to take over and operate a ship-building yard where production was halted by a strike of 16,000 men. Pan-American Airways plan a bomber ferry service to Africa.

Defensive occupation of Iran (whose oil supplies are vital) by British and Russian forces to oust German influences will give greater security in the Middle East.

America's preparedness (as revealed by Mr. Churchill) to act in the Far East if Japan's aggressions increase has particular significance to Australia. Australian trade with Malaya and Netherlands East Indies is said to be increasing rapidly.

INTERNATIONAL CURRENCY RELATIONSHIPS. Sterling remains steady in the open market in New York, exchanging at the rate of \$4.0325 to £stg. British, American and Chinese funds are being used to stabilise Free Chinese currency since maintenance of confidence in the yuan (or dollar) is fundamental to continued Chinese resistance. There are separate sterling-yuan and U.S. dollar-yuan funds but these are operated by a single Stabilisation Board. It was reported last week that with the object of strengthening the currency the Chungking rate of exchange with the U.S. dollar had been fixed at C.\$100 = U.S. \$5.34375; stated to be 10 per cent. above the current "black market" exchange rate.

WOOL. The appraisement of wool of the 1941-42 clip is proceeding in Sydney, and to date this season 85,840 bales have been dealt with. This wool was mainly from far western, central and north-western districts and generally was not as good in quality as the corresponding clips of last season. It is expected that approximately 834,000 bales will be appraised in Sydney before Christmas.

"The Central Wool Committee announces that woollen manufacturers within the Commonwealth are being notified that they will not be permitted to obtain wool by purchasing sheepskins and having them fellmongered on their account. All wool obtained from the fellmongering of sheepskins must be submitted for appraisement".

It is understood that some purchases of wool on Russian account have been completed.

PART I. (Continued.)

Woollen manufacturers in the United States are abnormally busy and although stocks of apparel wool at 725m. lb. on July 1, 1941 were 27 per cent. above the average at that date in the preceding ten years, it is believed that heavy imports of wool will be necessary. America has bought much Argentine and Uruguayan wool and is expected to lift a large quantity from Australia. An American estimate is that only about one fourth of the strategic reserve of 830,000 bales of Australian wool has yet reached stores in the United States.

WHEAT. Wheat prices in Chicago touched their peak - 116 $\frac{3}{4}$ cents a bus. for Dec. options - for several years on Aug. 20 although indications are that in *USA* 1941-42 there will be a supply of 1,200m. bus. of wheat as against the usual absorption of rather less than 700m. bus. a year. The high price is wholly due to Government intervention. In Winnipeg December options were at 76 $\frac{5}{8}$ cents a bus. on the same day, and cheaper than in recent weeks, while prices in London remain steady.

The Australian Wheat Board increased prices (from 4s. 3 $\frac{1}{4}$ d. to 4s. 9d. a bus.) for wheat for export to Netherlands East Indies, Borneo, Burma, Malaya and Thailand last week, but there is no unsold wheat available for export as grain from N.S.W. In Sydney wheat for export flour has been in demand. Prices for wheat for local flour are unchanged. For silo wheat the price is 3s. 11 $\frac{1}{4}$ d. per bushel, ex trucks, Sydney. Flour at wholesale in Sydney is still quoted at £12 13s. a ton (including tax).

PRICES OF WHEAT IN NEW SOUTH WALES.
Shippers' offers to 1938-39. Prices for wheat for local flour from Dec. 1939.

	Seasons ended November.				July		August, 25, 1941.
	Av. 1931-35	1937	1939	1940	1940	1941	
<u>Bulk Wheat.</u>		s. and d. per bushel.					
Ex trucks, Sydney	2 9 $\frac{1}{2}$	5 3	2 5	3 10 $\frac{1}{2}$	4 0	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$
Equiv. ex farm at country sid- ing +	2 2 $\frac{1}{2}$	4 8	1 9 $\frac{1}{2}$	2 11	2 11	2 9 $\frac{1}{2}$	2 9 $\frac{1}{2}$

+ Exclusive of bounty. ø Net equivalent of advances made to date.

BUTTER. The production of butter and cheese in New South Wales is at a low ebb and N.S.W. butter stored for winter use is being used and supplemented by imports from other States. Recent rains, though helpful, were insufficient to assure a good spring for dairy production.

The local wholesale price of butter is 158s. 8d. per cwt. (unchanged since June 8, 1938). For choicest butter exported to the United Kingdom the price is equivalent to 137s. 2d. per cwt. - the same as last season. The course of butter prices is illustrated as under:-

PRICES OF BUTTER - SYDNEY - EXPORT AND LOCAL.

	Average - seasons ended June					August, 25, 1941.
	1929-32	1933-36	1937-39	1939	1940	
Export Parity	135	88	122	123	137(a)	137(a)
Local Sales	173	134	150	159	159	159

(a) Agreed price for British purchases, 1939-40 to 1941-42.

METALS. Maximum prices in London for electrolytic copper (£62), lead (£25) and spelter (£25 15s.) - per ton, duty paid, delivered to buyer - are unchanged.

During the past week tin cheapened slightly in the open market in London and on Aug. 22 was quoted at £256 7s. 6d. a ton. The price of silver was steady at 1s. 11 $\frac{7}{16}$ d. per oz.. The recent course of prices of tin and silver in London was as follows:-

/Av. 1939.....

PART I. (Continued.)

	Av. 1939.	Aug. 1939	Av. 1940	June 1941	July 1941	Aug. 22, 1941.
Silver s.d. oz.	1 8.6	1 5.7	1 10.3	1 11.4	1 11.4	1 11.4
Tin £. s. ton.	222 2	229 19	256 12	262 18	258 9	256 8

The Tin Research Institute estimates that in Jan.-May world tin production was 12.4 per cent. greater in 1941 than in 1940 and at the end of May, 1941 stocks were 57,140 tons compared with 40,783 tons a year before. Deliveries to the United States were 58.2 per cent. greater in the first five months of this than of last year. Statistical comparisons are:-

TIN.		World Production	Deliveries to U.S.A.	Consumption in U.K. ø	World Stocks at May 31.
		tons	tons	tons	tons
Jan.-May	1939	55,700	25,075	6,680	...
	1940	85,400	41,384	9,695	40,783
	1941	96,000	65,492	9,509	57,140

ø January to April.

PART II. FINANCE AND TRADE.

WHOLESALE TRADE. Sales recorded under the Sales Tax Acts in N.S.W. in May, 1941 (£18.75m.) were 10.7 per cent. above the average in May 1937 to 1939. In the five months ended May, 1941 the value of sales (£88.53m.) was 9.7 and 12.3 per cent. greater than in the corresponding months of 1940 and 1939, respectively. Government war purchases direct from private factories are covered by the returns and probably account for the greater part of the increase, to which higher prices have contributed also. Warehouses have experienced heavy buying in recent months, but the turnover of petrol distributors, motor traders and of some exporters (e.g. wire and spirit merchants) has contracted.

Changes in employment in wholesale trade have no necessary short term significance but the comparisons given in the appended table reveal some increase during the war period and it may be inferred that activity in this sphere is at least comparable with the pre-war level.

WHOLESALE TRADE - NEW SOUTH WALES.

	Sales by Registered Traders.			Employment in Wholesale Firms with Ten or More Employees.		
	May	January to May	Increase over Jan.- May of Preceding Year.	May	June	July.
	£ million	£ million	per cent.	Persons	Persons	Persons
1932	10.17	49.30	- 1.1	17,638 (June 1933).		
1938	16.87	79.41	3.4	25,598	25,212	25,169
1939	17.46	78.81	- 0.8	25,701	25,212	25,356
1940	14.85	80.67	2.4	25,732	25,871	25,891
1941	18.75	88.53	9.7	26,687	26,612	26,299

Minus sign (-) denotes decrease.

RETAIL TRADE. Expectations of impending shortages in supply of civilian goods of certain kinds as manufacturing resources are applied increasingly to producing war goods led to a wave of buying by consumers in May and June, 1941. Official statements that local and Empire war orders would monopolise capacity for production of blankets, woven and knitted woollens, heavy boots, etc. stimulated civilian demand for these and related items.

This is reflected in the course of sales in a group of large city shops, as illustrated by three-monthly moving averages as under:-

VALUE OF SALES (CITY SHOPS) IN THREE MONTHS ENDED IN MONTH

SHOWN COMPARED WITH CORRESPONDING PERIOD OF PRECEDING YEAR.

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>
Increase	9.8%	7.7%	10.9%	9.3%	16.0%	23.3%

In these shops the value of sales in June, 1941 was 38.4 per cent. greater than in June, 1939. There were increases of 62.3% for piece goods, 38.1% for women's wear, 55.1% for men's and boys' wear, 31.7 for boots and shoes, 32.5% for furniture, etc., and 35% for hardware. Stocks (at cost) at June 30, 1941 were 1.4 per cent. greater in value than in year before. In that interval these firms had increased the average number of their employees by 6.9 per cent. and their wages bill had risen 11.5 per cent.

There were 54,577 persons in the employ of shops with ten or more employees in N.S.W. in the middle week of July, 1941. The increase of 1,378 since mid-June, 1941 was seasonal and due to sales in city shops. The number, however, was 2,365 greater than in July, 1940. In comparison with July, 1939 employment has increased in shops in Sydney and suburbs and in the Newcastle district, but has decreased a little in country towns, doubtless reflecting the upward trend of employment and wage-earnings in the industrial urban centres, and seasonal and marketing difficulties of primary producers.

/In June.....

PART II. (Continued.)

In June, 1941 average weekly earnings per person (males and females, adults and juveniles) employed in firms with ten or more employees (about 425,000 persons) were £4. 17s. compared with £4. 9s. in June, 1940 and £4. 6s. in June, 1939.

EMPLOYMENT IN RETAIL TRADE - NEW SOUTH WALES.

Middle of Month.	Sydney		Newcastle District.	Country Towns	Total N.S.W.	
	City	Suburbs			Persons	Increase in last 12 mths.
	Employees in retail firms with ten or more employees					Per cent.
July, 1937	36,201	4,050	2,384	8,625	51,260	5.7
1938	37,842	3,969	2,534	8,767	53,112	3.6
1939	37,601	4,051	2,581	8,599	52,833	-0.5
1940	37,164	3,988	2,580	8,380	52,112	-1.0
June, 1941	37,792	4,214	2,733	8,360	53,099	4.8
July, "	39,237	4,179	2,771	8,290	54,477	4.5

Minus sign (-) denotes decrease.

SAVINGS BANKS. Depositors added £772,000 to their savings accounts in N.S.W. in July, 1941. The amount on deposit at July 31, 1941 (£88,522,000) was the greatest ever held and £6,387,000 more than on July 31, 1940. Savings have increased rapidly as thrift capacity has been increased by greater employment and larger wage-earnings. A decrease in savings bank deposits of £886,000 in May, 1941 suggested considerable withdrawals for war loan subscriptions, and beside this, the actual net amount applied to the purchase of War Savings Certificates in N.S.W. in the six months ended June, 1941 was £1,401,000. The following statement shows how savings in these forms have increased:-

1940 and 1941	July- Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
	£ thousand.							
Savings Deposits ^ø	2,773	688	602	602	-245	-886	1,654 ⁺	772
" Certificates ⁺	2,654	156	179	215	159	300	392	
	<u>5,427</u>	<u>844</u>	<u>781</u>	<u>817</u>	<u>- 86</u>	<u>-586</u>	<u>2,046</u>	

^ø Excess of deposits over withdrawals. ⁺ Purchases (at cost) less repayments.
Minus sign (-) denotes decrease. ⁺ Including interest additions, about £1,550,000.

An increase of 52,667 in the number of open savings accounts since July, 1938 is some indication of the more widespread practice of thrift. Open accounts increased by 10,566 in July, 1942.

SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances		Increase in Deposits		Open Savings Accounts.	
	June	July	In July.	In Year ended July.	June	July
	£000	£000	£000	£000	Number	(000).
1937	81,952	81,949	-3	2,213	1,218	1,228
1938	86,016	85,953	-63	4,004	1,288	1,298
1939	87,474	87,201	-273	1,248	1,330	1,338
1940	82,111	82,135	24	5,066	1,313	1,314
1941	87,750	88,522	772	6,387	1,340	1,350

Minus sign (-) denotes decrease.

EMPLOYMENT. There were 910,445 persons in employment in N.S.W. in the middle week of July, 1941. This was 46,483 and 77,114 more than in July, 1940 and 1939, respectively. The increase in the last month was small (1,735) mainly as a result of seasonal decreases in some non-war industries, but the expansion of employment in the production of war materials continued strongly (see Manufacturing Industry, p. 7). Trends in employment in recent months, and the movements in the eleven months ended July, 1941 and in the first eleven months of the war are shown below:-

INCREASE IN PERSONS IN EMPLOYMENT IN N.S.W.

	Private	Government	Local Government.	All Employment	All Factories.
	Increase or Decrease (-) in Persons Employed.				
March, 1941	6,340	2,900	- 150	9,090	7,000
April, "	- 1,332	900	- 187	- 619	- 600
May, "	2,882	1,500	69	4,451	3,000
June, "	2,194	200	- 251	2,143	4,100
July, "	932	700	103	1,735	2,400
Aug.-July, '39-40	27,994	5,500	-1,338	32,156	15,600
Aug.-July, '40-41	32,024	8,700	- 605	40,119	30,400

It will be seen that factory development is the predominant factor. A large part of the increase in "Government" employment is due to expansion of war industries. The reserve of unemployed labour is now small; the number of adult males registered as unemployed at State Labour Exchanges has decreased from 52,851 in Aug., 1939 and 38,876 in July, 1940 to 15,955 in July, 1941. Man-power resources will be taxed by requirements of the Armed Services and industry, and it is clear that many hitherto non-employment-seeking persons, especially women, will be needed to achieve the greater war effort planned. The Commonwealth Depts. of Labour and War Organisation of Industry are occupied with man-power problems, and reorganisation of industry to secure transfer from non-essential civilian to war production.

Apart from the changes in manufacturing industries the major movements in employment from mid-June to mid-July were a seasonal increase in retail trade and decreases in amusements and wholesale trade - the latter partly due to reduced employment in petrol distribution.

The following statement supplies particulars of employment at various dates in recent years. Percentage comparisons given in the concluding columns reveal a total increase of 9.4 per cent. during the war period while in factories alone the increase was 21.9 per cent. Part of the wartime increase in employment in offices and commerce is due to arrangements made for handling and storage of primary products consequent upon shipping difficulties.

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding relief workers and men in the Armed Forces not on civil paysheets).

Group.	Persons employed in middle week of -						Movement	
	July, 1937.	Aug., 1939.	July, 1940	May, 1941.	June, 1941	July, 1941.	July '40 to July '41.	Aug. '39 to July '41.
	000	000	000	000	000	000	per cent.	
All employment	803.6	831.8	864.0	906.6	908.7	910.4	(+) 5.4	(+) 9.4
Private "	656.4	680.3	708.3	743.6	748.5	746.7	(+) 5.4	(+) 9.8
All factories(a)	216.4	228.7	244.3	272.2	276.3	278.7	(+) 14.1	(+) 21.9
In Firms with Ten or more employees								
Mines	18.8	21.7	21.1	20.9	20.8	21.0	(-) 9.5	(-) 3.2
Retail Trade	51.3	51.3	52.1	53.2	53.1	54.3	(+) 4.2	(+) 5.8
Wholesale Trade	24.5	25.4	25.9	26.7	26.6	26.3	(+) 1.5	(+) 3.5
Offices & Commerce	25.4	27.1	28.1	29.2	29.0	28.9	(+) 2.8	(+) 6.6
Ship'g. & Rd. Trnspt.	19.1	20.7	21.6	22.6	20.7	21.2	(-) 1.9	(+) 2.4
Personal Services(a)	26.9	30.1	30.2	31.0	31.8	31.1	(+) 3.0	(+) 3.3
Other Industries	20.5	18.5	19.9	18.0	17.6	17.6	(-) 11.6	(-) 4.9

(a) Including working proprietors. (b) Including hospitals, professions, amusements, hotels, etc. + Increase. - Decrease.

MANUFACTURING INDUSTRIES. War industries continue to expand and new records in employment in factories are being created month by month. In the middle week of July, 1941 there were 278,700 persons working in factories in N.S.W. Since August, 1939 (pre-war) there had been an increase of 50,000 of which 34,400 occurred in the last twelve months. In July, 1941 the index number of factory employment (average 1928-29 = 100) was 154 compared with 135 in July, 1940 and 126 in July, 1939.

EMPLOYMENT IN FACTORIES IN NEW SOUTH WALES.

	June, 1933	July, 1937	July, 1938	Aug. 1939	July, ⁺ 1940	June, ⁺ 1941	July, ⁺ 1941
Persons (000)	139.7	216.4	227.1	228.7	244.3	276.3	278.7
Index No. (1928-29=100)	77	120	126	126	135	153	154

⁺Subject to revision.

Employment in munitions factories is still increasing and large aircraft engine and assembly factories are now in production. The State is to establish ship-building yards at Carrington (Newcastle). Indications are that many garage men have transferred to war industries. Iron and steel works are producing to capacity and have been extended to supply special types of steel, etc. Efficient operation has enabled pre-war prices of steel to be maintained. A number of Northern collieries were idle owing to industrial disputes for three weeks but are working again. By National Security (Coal Control) Regulations power has been taken (and a Commissioner appointed) to control production, treatment, handling, supply, distribution, marketing and use of coal so that resources may be used to best advantage.

Particulars of the number of persons employed in factories with ten or more employees (given below) illustrate recent trends. The expansion of employment in industrial metals is a striking feature, and war demands are reflected in greater employment in chemicals, etc., textiles and clothing and rubber factories. Box makers (in Woodworking) and leather workers (not in table but 28½ per cent. greater in number than in Aug., 1939) are also handling large war orders. A shortage of leather for civilian footwear is expected.

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle week of -	Cement Bricks, Glass &c.	Chemicals, etc.	Industrial metals	Textiles & Cloth- ing.	Food and Drink	Wood- work- ing, &c.	Paper & Print- ing.	Rubber
	Number of persons employed				- Thousands.			
July, 1938	11.62	6.72	65.14	37.71	26.92	10.70	14.64	3.74
Aug., 1939(a)	11.51	7.24	61.78	36.96	27.96	9.89	14.81	3.68
July, 1940	12.18	8.72	68.37	39.66	28.61	9.51	14.95	4.08
May, 1941	12.96	9.28	85.54	41.43	30.56	10.62	14.74	4.52
June, "	13.07	9.48	88.03	41.80	30.70	10.71	11.84	4.62
July, " (b)	13.25	9.45	89.31	41.94	30.79	10.98	14.75	4.60
Increase, % (a) to (b)	15.11	30.52	44.56	13.47	10.12	11.02	(-)0.41	25.00

(-) denotes decrease.

In 42 large factories products sold in June and the six months ended June, 1941 were of record value for the last month and latter half of the financial year. Sales in the half year (£24.1m.) were 33.3 per cent. greater in value than in Jan.-June, 1939. In June, 1941 these factories, many of which are engaged directly or indirectly in war work, had 22.8 per cent. more employees and paid out 39.4 per cent. more in salaries and wages than in June, 1939.

Comparisons illustrating trends in factory activity in New South Wales are appended.

PART III (Continued)

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

	ALL FACTORIES.		FORTY-TWO LARGE FACTORIES.					
	July.		Month of June			January to June. (Monthly Averages.)		
	Employment.							
	Number.	Index No.	Sales.	Employ- ees.	Wages Paid Weekly.	Sales.	Employ- ees.	Wages Paid Weekly.
	Aver. 1928-29 =		£000	000	£000	£000	000	£000
	180,756	100						
1937	216,400	120	2958	22.4	86.8	2936	22.1	83.8
1938	227,100	126	2935	23.6	94.7	3107	23.3	94.1
1939	227,900	126	3013	22.8	92.7	3043	23.0	94.9
1940	243,300	135	3083	23.6	103.3	3401	23.5	100.3
1941	278,700	154	4017	28.0	129.3	4010	27.1	122.9

GAS AND ELECTRICITY. The amount of gas and electricity consumed in Sydney and suburbs in July, 1941 was 11.2 per cent. greater than in June, 1940. In the first seven months of this year nearly 40 per cent. more gas and electricity was consumed than in the corresponding months of 1929 (pre-depression). Factors in the increase include normal growth of population and wider reticulation and use of electricity and gas, the latter partly due to technical progress. The increase of the last two years, however, is primarily due to the expansion of industry discussed in the preceding note. Index numbers are as follow:-

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY.

	<u>1929.</u>	<u>1932.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
Index numbers : Average 1929-31 = 100.							
Month of July	105	97	122	126	134	139	149
Calendar Year	105	96	119	123	131	135	-

BUILDING PERMITS - METROPOLIS.

NOTE: Government buildings are not included in building permits.

Private building permits and contracts for public buildings indicate active conditions in the building industry except in the City. In value permits for houses are at a record level and flat and factory building also is considerable.

Dwellings of all kinds proposed in Jan.-July numbered 6,218 in 1941, 6315 in 1939 and 7,118 in 1938, but in May-July the number of individual houses in permits was a record this year, and of all dwellings, almost equal to the post-depression peak in 1938.

Permits for private buildings granted in Sydney and suburbs in July, 1941 (£1,239,000) were considerably above the recent monthly average, though not as great in value as in July, 1938 or 1939. Some kinds of private building have decreased, but others (e.g. residential buildings and factories) appear to be increasing. Monthly figures give the impression of revival in private building in total, but conclusions as to general trends must be made with caution:-

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May.</u>	<u>June</u>	<u>July.</u>
Value of private building permits granted - £ Thousand.							
1938	905	899	1303	1256	1292	1160	1741
1939	864	999	993	932	1028	1270	1522
1940	699	755	870	1041	979	960	1048
1941	695	804	857	775	1078	1382	1239

/Erection.....

PART III (Continued)

Erection of defence and other public buildings has partly offset the decrease in private building from the high level in 1938. The value of contracts let for buildings for Commonwealth and State Governments and associated bodies are shown below, together with combined totals for public and private building projects in certain comparative periods.

<u>Metropolis.</u>		<u>Month of July.</u>			<u>January-July.</u>	
		<u>1939.</u>	<u>1940.</u>	<u>1941.</u>	<u>1940.</u>	<u>1941.</u>
Public Buildings	£000	37	174	153	492	848
Private "	£000	1522	1048	1239	6351	6830
Total	£000	1559	1222	1392	6843	7678

Private building in the City of Sydney has decreased progressively since 1938 and now is almost at a standstill. Permits decreased in the suburbs in 1940 but were greater in value in the first seven months of this year than in any corresponding period of post-depression years. Details of value are as follow:-

	<u>City Building Permits. (£000)</u>					<u>Suburban Building Permits. (£000)</u>				
	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
July	378	731	370	236	15	619	1010	1152	812	1224
Jan.-July.	1530	2199	1226	724	388	4402	6337	6381	5627	6442

Housebuilding has been a feature of building returns in recent months. Building societies are not so active as in 1938-39 (See B.S.1941/8B., p.11) and the value of permits for wooden and fibro houses has decreased, but, continuing the recent upward trend, the value for brick houses in July 1941 was the greatest monthly total for many years.

VALUE OF PERMITS TO ERECT HOUSES - METROPOLIS.

		<u>Sept.Qr.</u>	<u>Dec.Qr.</u>	<u>Mar. Qr.</u>	<u>Apr.</u>	<u>May.</u>	<u>June.</u>	<u>July.</u>
1938 & 1939	£000	1626	1303	1310	332	496	563	592
1939 & 1940	£000	1527	1167	1208	573	536	452	522
1940 & 1941	£000	1492	1326	1408	447	606	785	801

Building control regulations have been operative since Dec. 5, 1940 and to this may be attributed the marked decrease in proposals for hotels, shops and miscellaneous buildings apparent in the appended table. Erection of moderate flats has not been discouraged and permits for flats have increased in comparison with last year. For factory premises the value of permits granted in July, 1941 was exceeded in only two months of the past three years. Percentage changes in value of permits granted for various types of building comparing Jan.-July, 1941 and the corresponding (pre-war) period of 1939 are given at foot of the table:-

VALUE OF PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

Period.	Houses.		Flats. (a)	Hotels, Guest Houses.	Shops. (b)	Factor- ies. (c)	Offices, Theatres etc.	Total.
	Brick, etc.	Wood, Fibro.						
			Value in £ Thousand.					
July, 1938	473	89	382	40	72	84	601	1741
1939	489	103	480	18	31	149	252	1522
1940	465	57	180	174	9	71	92	1048
1941	685	116	184	2	10	196	46	1239
Jan.-July, 1938	2932	502	2031	389	356	625	1701	8536
" 1939 (1)	2706	587	1912	300	272	851	979	7607
" 1940	2697	590	1242	459	205	529	629	6351
" 1941 (2)	3526	522	1525	37	152	381	381	6830
Movement: (1) to (2)	% +30.3	-11.1	-20.3	-87.7	-44.1	-19.3	-61.1	-10.2

Includes (a) conversions to flats, (b) shops with dwellings and (c) public garages.

/Having.....

PART III (Continued)

Having regard to the increased costs of building the wartime decrease in private building activity is greater than that shown in the foregoing table.

DWELLINGS. There were 1,042 dwellings covered by permits granted in the metropolis in July, 1941 compared with 1,264, 1,223 and 748 in July 1938, 1939 and 1940, respectively. In the last three months, however, the number (3,348) was greater than in May-July of any recent year excepting 1938 (3,568) mainly because of the record number of individual dwelling houses (2,061 compared with 1,811 in May-July, 1938).

Details showing the numbers of dwellings of various types proposed in Jan.-July of recent years are given below, and the movements this year compared with two years earlier are shown in the final column. The number of net additional dwellings included in permits in Jan.-July, 1941 (6,218) was 1,042 or 20 per cent. greater than in the first seven months of 1940.

DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - METROPOLIS.

Type of Dwelling.	Seven Months ended July.					Movement - 1939 to 1941.
	1937.	1938.	1939.	1940.	1941.	
	Number of Dwelling Units.					Per cent.
Houses - Brick &c.	1,850	2,802	2,584	2,446	3,048	+ 19.3
- Wood, Fibro &c.	568	942	1,054	985	770	- 26.9
Total Houses.	2,418	3,744	3,638	3,431	3,818	+ 4.9
Flats - In new buildings	1,673	3,184	2,589	1,719	2,384	- 7.9
" converted "	277	270	184	154	88	- 52.2
With shops, hotels, etc.	79	127	98	65	55	- 43.9
Total - Flats, etc.	2,029	3,581	2,871	1,938	2,527	- 12.0
Grand Total	4,447	7,325	6,509	5,369	6,345	- 2.5
Less Demolitions & Conversions	266	207	194	193	127	- 34.5
NET ADDITIONAL DWELLINGS	4,181	7,118	6,315	5,176	6,218	- 1.5

Dwellings proposed in the seven months of this year were numerically equal to an annual rate of 10,659. This rate compares with 11,853 included in permits in the year 1938 and otherwise exceeds the number recorded in any post-depression year. Trends in the provision of housing are illustrated as under:-

NUMBER OF DWELLINGS INCLUDED IN PERMITS - METROPOLIS.

	Calendar Year.					Jan.-July.	
	1929.	Av. 1930-34.	1938.	1939.	1940.	1940.	1941.
Individual Houses	7,095	1,205	6,342	5,847	5,706	3,431	3,818
Flats, with shops, etc.	3,097	656	5,821	4,290	4,135	1,938	2,527
Net Total (Demolitions & conversions deducted).	9,854	1,839	11,853	9,822	9,557	5,176	6,218

PART III (Continued)

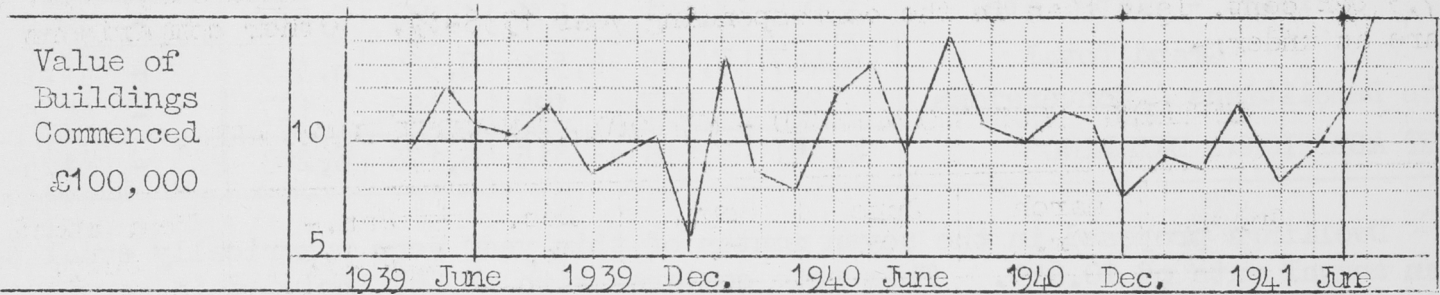
BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

NOTE: These figures differ from those of building permits in that they relate to buildings actually commenced, include most Government as well as private buildings, and cover an area considerably larger than the Metropolis.

Buildings commenced in July, 1941 (£1.45 m.) were highest in value of the post-depression period. Although the value of buildings commenced has increased this year, irregularity of movement precludes prediction of trend. Decreases for buildings other than houses, flats and factories reflect official control of building. The number of individual houses commenced in Jan.-July (4,057) was only 7.3% less this year than in 1938-39 when house-building was at its greatest peak of recent years.

The value of buildings commenced in the Metropolitan Water Board Area in July, 1941 (£1,453,000) exceeded the previous record monthly total of post-depression years (in July, 1940) by £15,000. Included were eight buildings totalling £251,000 (a shop addition, £50,000; a wool store, £38,000; factories, £65,000; an hotel, £42,000 and a defence building, £20,000). Monthly fluctuations obscure the trend. In each month since April totals have increased progressively. The appended graphical illustration of the course of building in this Area during the war period shows that active conditions prevail, but warns against assumptions as to the future trend.

VALUE OF BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.



With one exception (July, 1940) the value of houses erection of which began in July, 1941 was a post-depression record. Compared with July, 1940 there were increases for flats and business premises, but for miscellaneous buildings the total, though greater than in any recent month, was less than in July, 1940.

Statistical comparisons for the seven months ended July are given in the next table. Buildings commenced in the City of Sydney this year were, in value, approximately one-half and one-third those commenced in Jan.-July, 1940 and 1937, respectively. In the suburbs the seven month's total was the greatest of recent years. This is a reflection of record totals for houses and flats. Decreases under the headings "Business Premises" and "Miscellaneous" apparently are due to building control; such of these classes of buildings as are being erected include factories, warehouses and defence buildings.

PART III (Continued)

VALUE OF BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.
(Includes private and most Government buildings, new buildings and alterations and additions.)

Type of Building.	July.			Seven months ended July.				
	1939.	1940.	1941.	1937.	1938.	1939.	1940.	1941.
	Value in £ Thousand.							
Dwelling Houses	542	684	681	2139	3439	3447	3589	3704
Flats	203	236	238	990	1610	1184	1372	1726
Business Premises. ø	252	260	379	2357	2168	2112	1917	1211
Miscellaneous. ★	155	258	155	518	389	614	1026	638
Total	1012	1438	1453	6004	7606	7357	7904	7339
City Buildings	89	113	132	1642	1265	1379	1161	555
Suburban do.	923	1325	1321	4362	6341	5978	6743	6784

ø Shops, factories, offices, warehouses, etc. ★ Theatres, hospitals, churches schools, military buildings, etc.

DWELLING HOUSES commenced in this area in July numbered 719 in 1941, 743 in 1940, 652 in 1939 and 700 in 1938. Comparing these numbers with values given above it appears (as particulars of building permits tend to confirm) that divergencies in movement are the result of higher costs of building, and probably, some increase in the average size and change in type of houses erected.

In the seven months ended July, 1941 the 4057 houses commenced averaged £928 each whereas the 4,296 houses in Jan.-July, 1939 were to cost £802 each. There was thus an increase of 15.7 per cent. in average value per house in the two year's interval. The number of houses commenced in the year ended July, 1941 was 7.3 per cent. less than in the corresponding year 1938-39. Other comparisons are as under:-

DWELLING HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

	July.	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Jan.- July.	Year ended July.
	Number of dwelling houses (not including flat dwellings.)						
1936	475	1273	1251	1668	1195	2999	4797
1937	478	1152	1212	1618	1592	2842	5230
1938	700	1627	1857	2120	1853	4184	6916
1939	652	1859	1785	2034	1663	4296	7569
1940	743	1740	1720	2036	1665	4203	7248
1941	719	1587	1751	-	-	4057	7015